

ASX Market Announcements
Company Announcements Office
SYDNEY NSW 2000

Quarterly Activities Report
Quarter ended 31 December 2012

HIGHLIGHTS

Exploration Highlights

- Exploration plans for the Eclipse Project have been submitted to the Northern Territory Department for approval.
- Details of drilling program at Eclipse project submitted to Central Land Council for clearance.
- Aboriginal Areas Protection Authority clearance of Pine Creek Tenements ongoing.
- **Fugro Airborne EM complete – conductive targets identified**
- Examination and review of exploration data for all tenements
- Prioritising of exploration programs
- Eclipse to shift focus of exploration onto multi-commodity Pine Creek Tenements.

BOARD

Graeme Allan
Chairman

Emilio Pietro Del Fante
Executive Director

COMPANY SECRETARY

Robert Marusco

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PRINCIPAL PLACE OF BUSINESS**

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ASX CODE

EPM

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Exploration

Eclipse Project

The Eclipse Project is located 200km northwest from Alice Springs in the Ngalia Basin. Numerous Deposits are found within this basin including Biglyi Deposit (Energy Metals Limited, ASX:EME), New Well Deposit (Deep Yellow Limited, ASX:DYL) and the Afghan Swan Deposit (Thundelarra Exploration limited, ASX:THX). Within the Eclipse licences there are historically recorded Uranium mineral occurrences including Currinya and Mount Wedge prospects.

Eclipse completed over 1600 line km of Fugro Tempest AEM at a spacing of 1000m over three granted tenements in the Eclipse project. Processing of the data has identified conductive targets in both EL24625 (figure 1) and EL24637 (figure 2).

A drilling program has been designed to test these targets and a mining management plan has been submitted to the Northern Territory Government and the Central Land Council for approval.

The program consists of 27 holes on EL24625 and 15 proposed holes on EL24637. It is anticipated that the holes may be completed in 2 separate programs due to the different drilling requirements of the targets.

Figure1 Proposed drill holes on EL24625

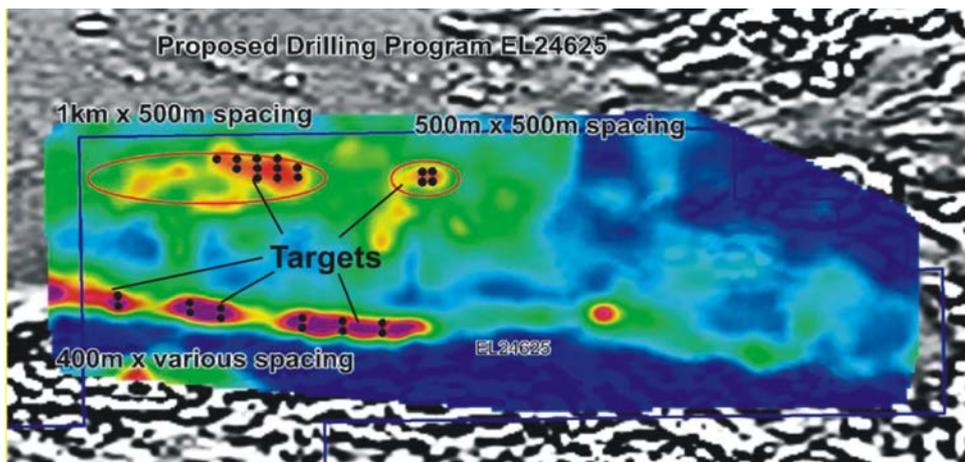
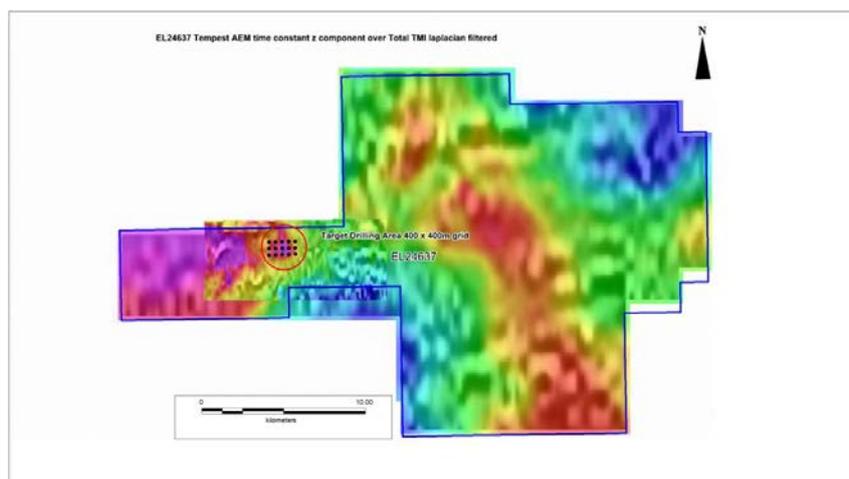


Figure 2 Proposed drill holes on EL24637

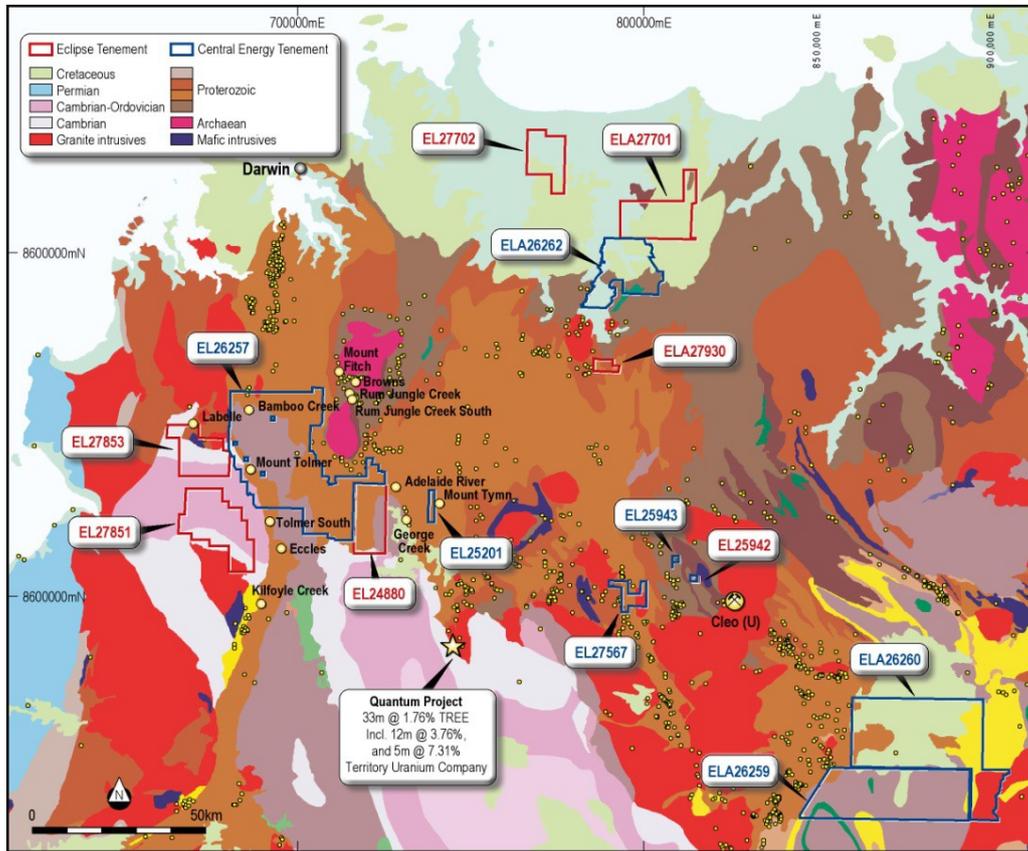


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Pine Creek Project

The Pine Creek Project area is located within the Pine Creek Orogen which is one of the most highly prospective areas for multi commodity mineralisation. Eclipse holds a series of tenements located near the Rum Jungle Mineral Field as well as more regional project areas. These tenements are considered highly prospective for gold, base metals, uranium and REE.

Figure 3 Eclipse Metals Limited- Pine Creek Project Area



Work on the Pine Creek tenements continues with the finalising of the regional database, continuation of independent consultant review and target generation of granted tenements and Aboriginal Area Protection Authority clearance of EL27851, EL27853 and EL24880 to allow access for site work.

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Project Summary

Eclipse Metals holds over 26,300km² in the Northern Territory comprising 12 granted exploration licences and 33 exploration licence applications.

Eclipse has six main project areas:

- The Eclipse Project in the Ngalia Basin comprises 3 granted exploration licences (1528km²) and 3 exploration licence applications (3908km²). The Ngalia is prospective for a variety of uranium mineralisation styles and hosts the Bigrlyi Deposits (Energy Metals Ltd, ASX:EME), New Well Deposit (Deep Yellow Limited, ASX:DYL) and Afghan Swan Prospect (Thundelarra Exploration Limited, ASX:THX).
- The Pine Creek Project comprises 9 granted exploration licences and 5 exploration licence applications which are all located within the Pine Creek Orogen Province which hosts the Rum Jungle Mineral Field.
- West Arnhem Project has 5 exploration licence applications in an area known for high grade mineralisation at Nabarlek, Jabiluka and Ranger (Energy Resources Australia, ASX:ERA) within the Alligator River Uranium Field.
- North Arunta Project comprises 16 exploration licence applications which are considered prospective for uranium mineralisation but have not been historically explored. The projects are focused in two main areas; Tanami and Yuendumu. The Tanami project is considered prospective for uranium, base metals and gold whilst Yuendumu is considered prospective for gold and base metals.
- Lake Mackay Project comprises 1 exploration licence application (159km²) located near the Northern Territory and West Australian border. The area is prospective for surface mineralisation and also sandstone mineralisation analogous to the Theseus Prospect (Toro Energy Limited, ASX:TOE).
- Canning Basin Project includes 1 exploration licence application (516km²) with an airborne radiometric target and no historical exploration

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CORPORATE

Eclipse Metals Limited (“**Eclipse**” or the “**Company**”) held its AGM on 30 November 2012.

A number of resolutions were passed at the AGM including the acquisition of Contour Resources Pty Ltd and a proposed capital raising for the Company to issue shares and options. Although a capital raising was approved at the AGM there has been some difficulty in attracting funds into the Company.

A Working Capital Facility was offered and discussed but unfortunately has not been concluded. However Eclipse has two other proposals before it, one for a Convertible Note of up to \$2,000,000 and the other a proposed Rights Issue underwritten to \$600,000. It is currently reviewing the terms and conditions of both proposals with a view to responding and negotiating the terms and conditions.

During the quarter Eclipse advised shareholders of the following:

- On 10 December 2012 the Company released an Appendix 3B in relation to the acquisition of Contour Resources Pty Ltd and the conversion of creditor’s debt.
- On 13 December 2012 Eclipse declined to extend the Klondyke loan of \$700,000 together with interest and costs and subsequently converted the loan to securities in Klondyke. Following this conversion Eclipse now holds 9,552,344 ordinary shares and 10,000,000 options exercisable at 20 cents in Klondyke.

The Company still has capacity remaining under ASX Listing Rule 7.1 to continue raising capital to fund its exploration and administration costs and believes a substantial injection of funds will occur from one of the recent proposals.

The Company’s geologist completed a comprehensive review of all projects and tenements with in order to change the focus and re-prioritise their prospectivity. As a result of this the company may sell some of its ground and relinquish others whilst retaining the tenements it considers most prospective.

Once further negotiations are concluded in relation to the two proposals mentioned above it is expected the Company will commence further exploration on its most prospective ground with a primary focus on the Pine Creek region of the Northern Territory.

On the 29 January 2013 Mr Shane Casley resigned as a Non-Executive Director. Mr Casley advised his resignation was due to his current work commitments. The Company is currently in discussion with a suitable replacement director.

Eclipse via its acquisition of the issued capital of Contour Resources Pty Ltd (**Contour**) has acquired an indirect controlling interest of 54.39% of Walla Mines Ltd.

Walla Mines Limited holds six separate projects that are situated across Queensland, Northern Territory and New South Wales and cover an approximate area of 1,100km².

The tenements were selected because of their quality and potential for manganese, gold, iron and bauxite prospectivity and have been divided into six projects and are situated in Queensland, Northern Territory and New South Wales.

The Walla Mines tenements are summarised below:

Mary Valley Project

- The Mary Valley Project is located 14km southwest of Gympie QLD
- 4 Exploration Permit for Minerals (EPM) areas which cover an approximate area of 210km².
- The tenements are prospective for manganese and gold.
- EPM 17672 and 17685 are currently subject to renewal applications, the applications are determined by the Queensland Department of Employment, Economic Development and Innovation (DEEDI).

Bundaberg Project

- The Bundaberg Project is located approximately 57km east of Bundaberg in QLD and comprises 1 EPM covering an area of 40km².
- The project is prospective for manganese.

Yellow Jack Project

- The Yellow Jack Project is located 215km west of Townsville (QLD) and comprises 1 EPM that covers 130km².
- The project is prospective for gold.
- EPM 17321 is currently subject to renewal applications, the application is determined by the DEEDI.

Moonford Project

- The Moonford Project is located 15km northwest of Moonford (QLD) and comprises of 1 EPM that covers 125km².
- The project is prospective for iron ore.

West McArthur Project

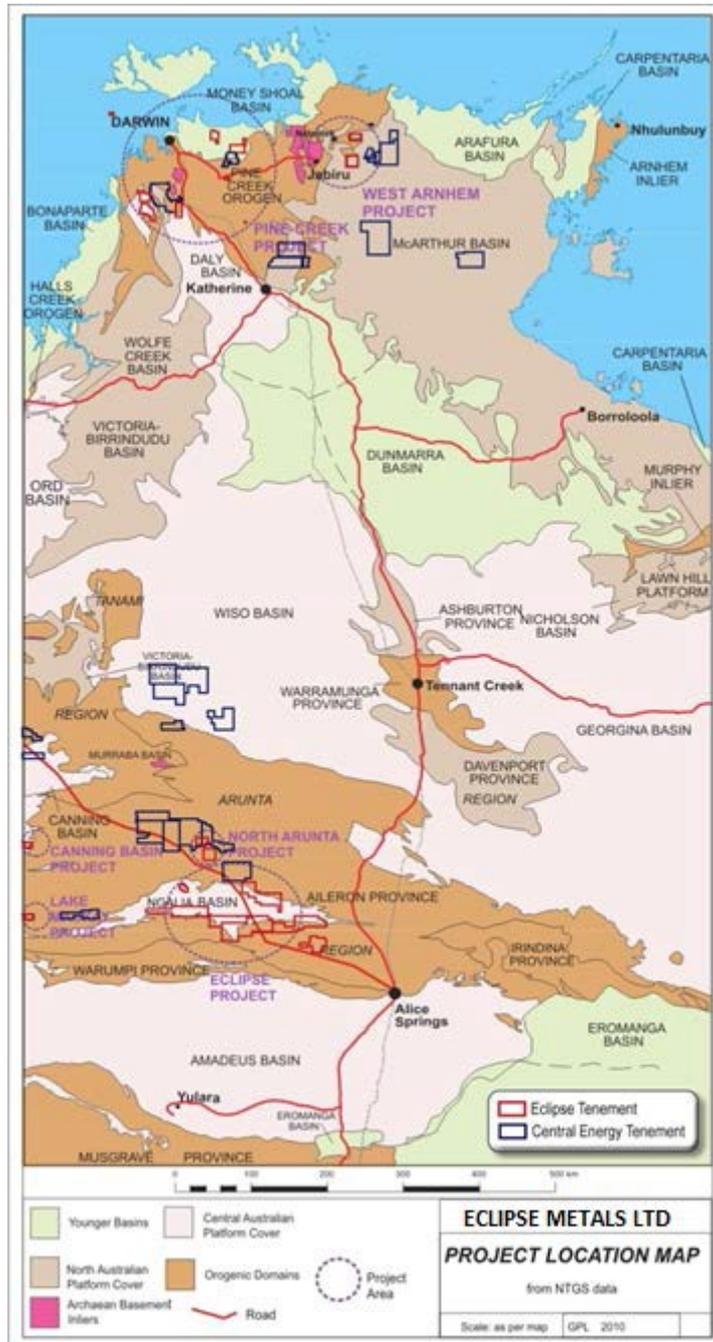
- The West McArthur Project is located in the NT, 850km southeast of Darwin and comprises 1 Exploration Licence (EL) that covers 600km².
- The West McArthur Project is prospective for manganese mineralisation.

Moss Vale Project

- The Moss Vale Project is located approximately 170kms from Sydney (NSW) and comprises one Exploration Licence Application (ELA 4507) that covers a total area of 30 km².
- The project is prospective for bauxite.

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Figure 4 Eclipse Metals Limited- Project Areas



About Eclipse Metals Limited:

Eclipse Metals Limited is an Australian company with a portfolio of quality uranium tenement assets and rare earths in the highly prospective provinces of the Northern Territory. The company holds over 26,000km² of selected tenure across six separate project areas situated around key locations in the Northern Territory.

Competent Persons statement:

The information in this report to which this statement is attached that relates to Eclipse Metals Limited's Exploration targets and results is based on information compiled by Mr Brian Davis who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Brian Davis is employed by Geologica Pty Ltd, engaged as consultants to Eclipse. Mr Davis has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration. Mr Davis is considered a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Davis consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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